

Long Range Property Management Plan (LRPMP) Reviews Frequently Asked Questions

Question 1: If the Agency wants to transfer former RDA property to the city, county, or city and county, does the use and disposition of the property have to be reported in the LRPMP?

Response: Yes. The disposition and use of all former RDA real properties retained by the Agency must be listed in the LRPMP. This includes any property the Agency would like to transfer to the city, county, or city and county for future development.

HSC section 34179.5 (c)(5)(C) requires that the LMIHF and Other Fund and Accounts Due Diligence Reviews include an itemized statement of the value of any RDA assets that were not cash or cash equivalent, which included physical assets, land, records, and equipment.

HSC section 34191.5 requires that a Community Redevelopment Property Trust Fund be established to serve as a repository of the former RDA's real properties identified pursuant to HSC section 34179.5 (c)(5)(C). The LRPMP should include an inventory of all properties in the trust.

HSC section 34191.4 (a) states that all real property shall be transferred to the Community Redevelopment Property Trust Fund of the successor agency upon Finance approval of the LRPMP, unless that property is subject to the requirements of an existing enforceable obligation.

Question 2: A Finding of Completion (FOC) has not been issued by Finance. Can the Agency submit an Oversight Board (OB) resolution authorizing the transfer or sale of a property prior to submitting the LRPMP?

Response: No. Finance is not accepting a partial LRPMP or a separate OB resolution authorizing the disposition of non-governmental use properties at this time. Pursuant to HSC section 34191.3, the requirements specified in HSC sections 34177 (e) and 34181 (a) were suspended, except as those provisions apply to the transfers for governmental use, until Finance approves a LRPMP. Any OB resolutions submitted to Finance that authorizes the transfer of non-governmental use real properties will be not be approved.

The Agency may continue to set up the necessary steps for the property disposition, but is not allowed to finalize the transfer or sale until a FOC is issued by Finance and the disposition of the property is approved in the LRPMP. Finance recommends the Agency work towards completing the LRPMP and obtaining a FOC as soon as possible.

Question 3: If a property is identified to be transferred to the city, county, or city and county for future development, does the future development of the property have to be in accordance with an approved redevelopment plan?

Response: Yes. The use and disposition of the property should be consistent with and be identified in an approved redevelopment plan, or specific, community, or general plan. However, if the use and disposition of the property has changed or is not in accordance with the applicable plan, the Agency must explain why the intended use of the property has changed and when the change was approved by the Oversight Board.

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Question 4: For purposes of the Property Management Plan (PMP), are Successor Agencies required to obtain appraisals of the impacted properties? Furthermore, are Successor Agencies required to provide information detailing the history of environmental contamination and of any associated remediation efforts for impacted properties?

Answer: Finance does not interpret statute as requiring Successor Agencies to initiate new studies concerning the history of environmental contamination of properties covered by the PMP, or of any associated remediation efforts. Finance does, however, believe it is legislative intent that any existing studies or information of that nature be incorporated into the PMP.

Finance does not believe it is legislative intent that property appraisals be obtained for properties that the PMP proposes to sell or transfer to entities other than the city or county that created the former RDA. However, it would be appropriate to include in the PMP any existing appraisal information concerning these properties.

If the PMP proposes to sell or transfer the property to the city or county that created the RDA, then HSC section 34180 (f) requires that the Successor Agency reach a compensation agreement with the affected taxing entities to provide each entity a payment in proportion to its share of the base property tax generated by the property. If such an agreement cannot be reached with each affected taxing entity, the subdivision requires the property's value to be established by an independent appraiser approved by the Oversight Board.